



**Ideas • Strategy • Insight • Results**

**PPAI** **ONLINE**<sup>™</sup>  
Education

# INSURANCE PRIMER FOR THE PROMOTIONAL PRODUCTS ASSOCIATION INTERNATIONAL

Basic Introduction to Business Owner Package/Workers' Compensation Insurance

Presented by:

Mary E. Whisenand, AU, RPLU  
Principal, Senior Relationship Manager  
Mercer Affinity

Peggy Crawford  
C.N.A.



# THE LEGAL STUFF

Insurance is very fact specific. The information provided today is a guide only and is presented in very broad general terms. Coverage is subject to your specific situation and the policy terms and conditions in place at the time of a covered loss. This presentation is a summary only and does not include all terms, conditions, or exclusions of the coverage described.

Please verify all information with an authorized representative of the insurance carrier.

# TODAY'S AGENDA

Why do I need it?

What is Business Owners Insurance?

Who needs Business Owners Insurance?

Where do I go to learn more?



# Why Do I need it?

You are a Global Citizen

Protects both your business, your reputation, your inventory, your assets, and your employees

Without insurance you are financially responsible for losses and/or damages

Some states require proof of financial responsibility. (i.e. auto coverage)

Many contracts require proof of coverage (client, government, bidding)

Defense – you have your own advocate if there is a dispute with a client or third party

Insurance is the pool of many to pay for the losses of a few



# What is Business Owners Insurance?

*Commonly called BOP to acknowledge it is a package of related coverages*

An insurance industry approach to bundling multiple types of policies together for a small business owner.

Features Include:

- streamlined underwriting
- standardized coverage forms for insurance carriers and consumers
- ease of purchase by a business owner



# Business Owners Insurance



## Basic Coverage for Business Owners Combined in a BOP

Comprehensive General Liability	Your basic “slip and fall” coverage if someone enters your business premises.
Products Liability (your product causes injury)	Your product causes an injury to someone
Medical Payments	Commonly described as “Good Will” coverage. Payments made to third parties in the event there is a covered injury.
Advertising/Personal Injury	Perceived injury to a third party for something you have said, implied or are perceived to have said or implied in all forms of advertising or business communications.
Business Income	Replacing your income that is lost due to a covered loss that interrupts the income flow again. OPTIONS: you can include or exclude your key employees. There is a financial calculation that is imposed to pro-rate payments across the time of loss so you are not compensated more than if your business were functioning.
Defense Costs	How are they paid? What obligations do insureds have to the insurance carrier and their own defense?

# Business Owners Insurance



## Basic Coverage for Business Owners Combined in a BOP

Employment Practices Liability Coverage	Claims brought against you from employees. Common Examples: sexual harassment, failure to promote, wrongful termination, hostile work environment.
Building and Contents	Replaces your physical building and the contents within the insured structure. NOTE: When you have Replacement Cost Value built into your policy, most coverage is still done on actual cash value until you can show the cost of replacing the item.
Equipment Breakdown	Coverage for losses due to having equipment fail. Some coverage will state how long the equipment must be out before coverage would apply.
Money and Securities	Actual lost property. Lost currency, bonds, stock certificates, etc.
Tenants Legal Liability	When you are the renter, it covers if you cause damage to your landlord's property.



# Products Liability: It's Complicated

National Association of Insurance Commissioners defines this as “Insurance coverage protecting the manufacturer, distributor, seller, or lessor of a product against legal liability resulting from a defective condition causing personal injury, or damage, to any individual or entity, associated with the use of the product.”

Products liability refers to the liability of any or all parties along the chain of manufacture of any product for damage caused by that product. This includes the manufacturer of component parts (at the top of the chain), an assembling manufacturer, the wholesaler, and the retail store owner (at the bottom of the chain). <sup>1</sup>



<sup>1</sup> Products liability | Wex Legal Dictionary / Encyclopedia | LII / Legal Information Institute \*\*\*.law.cornell.edu/wex/Products\_liability

# Workers Compensation Insurance

State mandated and requirements vary by state

Separate from your business insurance

- First line of defense if an employee is hurt or injured in doing their job for you
- Any direction on your part: take their own auto or walk across the street to deliver a package



# Workers Compensation Insurance

Calculated on a filed base rate that the carriers file with states' insurance departments.

Data is gathered and reported to the National Council on Compensation Insurance which many states (but not all) use as their guide when setting base rates and modifications.

Your business can be given credits or debits depending on usual insurance factors :

- Type of business (called a SIC Code or Classification Code)

- Claim History

- Safety Protocols

- Risk Management Guidelines



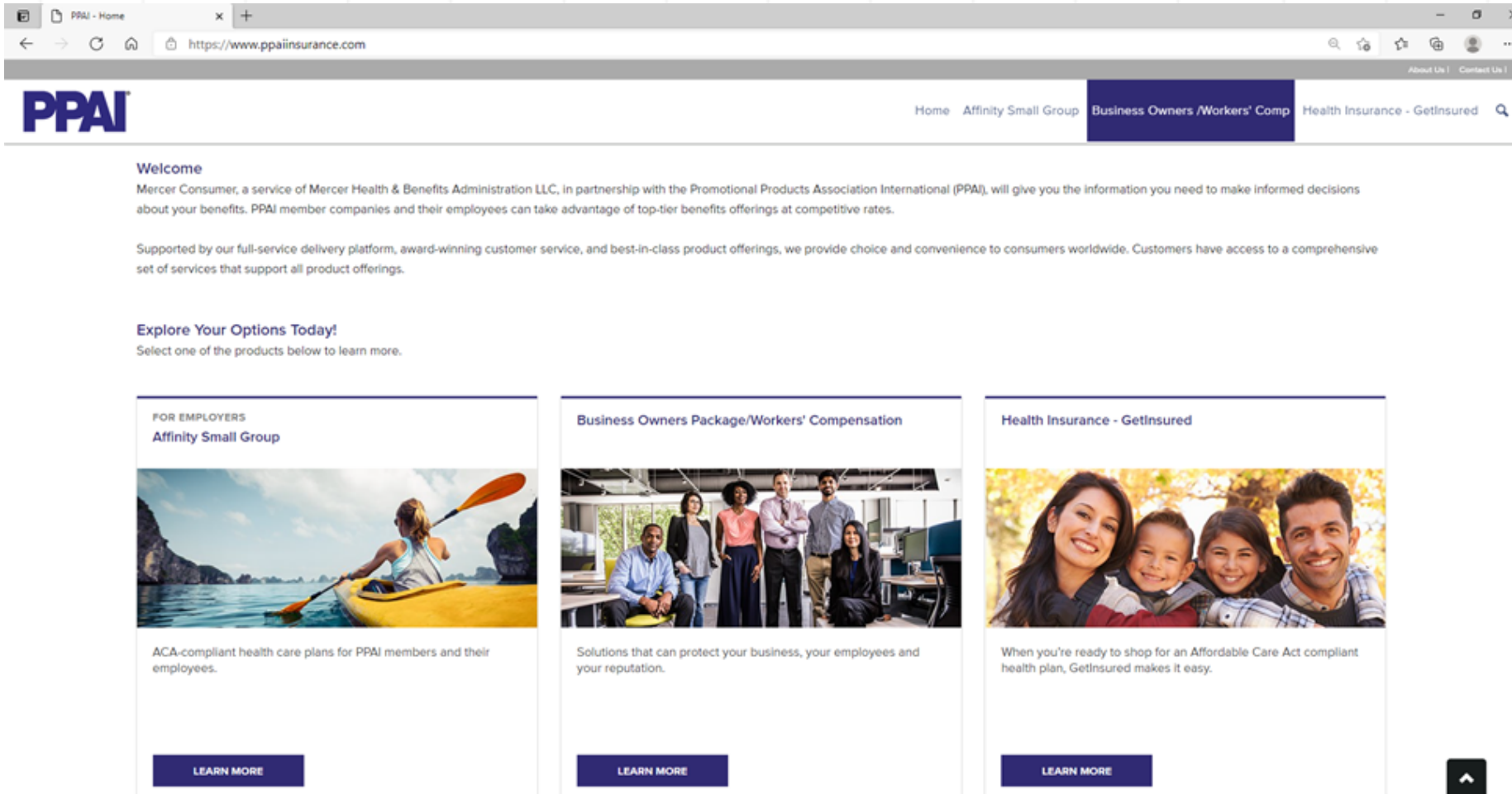
# Who Needs Business Owners Insurance?

Anyone who owns a business. No Exceptions.



# Where Do I Go For More Information?

\*\*\*.ppaiinsurance.com



The screenshot shows the PPAI website homepage. At the top left is the PPAI logo. To the right is a navigation menu with links for Home, Affinity Small Group, Business Owners /Workers' Comp (which is highlighted), and Health Insurance - GetInsured. Below the navigation is a 'Welcome' section with introductory text. This is followed by an 'Explore Your Options Today!' section with three product cards. Each card has a title, a representative image, a short description, and a 'LEARN MORE' button. The first card is for 'Affinity Small Group' with an image of a person kayaking. The second is for 'Business Owners Package/Workers' Compensation' with an image of a diverse office team. The third is for 'Health Insurance - GetInsured' with an image of a smiling family. A small upward arrow button is located at the bottom right of the page content area.


**PPAI** Home Affinity Small Group **Business Owners /Workers' Comp** Health Insurance - GetInsured

**Welcome**  
Mercer Consumer, a service of Mercer Health & Benefits Administration LLC, in partnership with the Promotional Products Association International (PPAI), will give you the information you need to make informed decisions about your benefits. PPAI member companies and their employees can take advantage of top-tier benefits offerings at competitive rates.

Supported by our full-service delivery platform, award-winning customer service, and best-in-class product offerings, we provide choice and convenience to consumers worldwide. Customers have access to a comprehensive set of services that support all product offerings.

**Explore Your Options Today!**  
Select one of the products below to learn more.


**FOR EMPLOYERS**  
**Affinity Small Group**



ACA-compliant health care plans for PPAI members and their employees.

**LEARN MORE**


**Business Owners Package/Workers' Compensation**



Solutions that can protect your business, your employees and your reputation.

**LEARN MORE**

**Health Insurance - GetInsured**



When you're ready to shop for an Affordable Care Act compliant health plan, GetInsured makes it easy.

**LEARN MORE**

<https://www.ppaiinsurance.com/business-insurance/business-owners/workers-comp/workers-compensation-insurance.html>

**Q&A**

**Thank you!**

